

Governance Review and Effectiveness of the Board and its Committees

Report to: Board
Date: 3 October 2013
Report by: Anne Forsyth, Executive Assistant
Report No: B-18-2013
Agenda Item: 16

PURPOSE OF REPORT

The Internal Auditors made a recommendation that the Board undertook a formal and rigorous annual evaluation of its own performance and that of its Committees. This report updates the Board on how this was achieved and makes recommendation on how this process will continue.

RECOMMENDATIONS

That the Board:

1. Notes and agrees that the internal audit requirement has been met through the process carried out in relation to governance review and effectiveness of the Board and its Committees.
2. Approves the future process of how governance review and effectiveness of the Board and its Committees will continue.
3. Agrees that the Chair and Committee Conveners consider how to ensure effectiveness is reviewed at their regular meetings.

Version: 3.0	Status: <i>Final</i>	Date: 26/09/2013
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Version Control and Consultation Recording Form

Version	Consultation	Manager	Brief Description of Changes	Date
1.0	Senior Management	ET		11.9.13
	Legal Services			
	Resources Directorate			
	Committee Consultation (where appropriate)			
	Partnership Forum Consultation (where appropriate)			

Equality Impact Assessment

To be completed when submitting a new or updated policy (guidance, practice or procedure) for approval.

Policy Title:

Date of Initial Assessment:

EIA Carried Out

YES

NO

If yes, please attach the accompanying EIA and briefly outline the equality and diversity implications of this policy.

If no, you are confirming that this policy will have no negative impact on people with a protected characteristic and a full Equality Impact Assessment is not required.

Name: Anne Forsyth

Position: Executive Assistant

Authorised by Director

Name: A Bruton

Date: 19 September 2013

Version: 3.0

Status: *Final*

Date: 26/09/2013

1.0 INTRODUCTION

Corporate governance is the system by which organisations are directed and controlled. The governance structure specifies the distribution of rights and responsibilities among different participants in the organisation (such as the Board, Executive Team, managers, stakeholders and auditors).

The Good Governance Standard for Public Services was developed and published by the by the Independent Commission on Good Governance in Public Services in January 2005 which was built on the Nolan Principles. The Commission set out six core principles of good governance for public bodies, which are also used by the Scottish Government in their On-Board: A Guide for Board Members of Public Bodies in Scotland.

These principles are used by the Care Inspectorate and its Board. The six principles set out by the Commission of what good governance means are:

- Focusing on the organisation's purpose and on outcomes for citizens and service users
- Performing effectively in clearly defined functions and roles
- Promoting values for the whole organisation and demonstrating the values of good governance through behaviour
- Taking informed, transparent decision and managing risk
- Developing the capacity and capability of the governing body to be effective
- Engaging stakeholders and making accountability real

For the purpose of this report, good governance in terms of developing the capacity and capability of the governing body to be effective will be considered.

1.1 Internal Audit: Governance Audit Visit Memo

The Care Inspectorate's internal auditors issued an audit visit memo to the Care Inspectorate in January 2012 which was submitted to the Audit Committee on 20 March 2012. Audit visit memos are used when internal auditors are looking at a particular area where work is continuing or where arrangements have not had time to be fully embedded or developed. Findings and recommendations of an audit visit memo are subsequently used in full internal audits and was used in this instance to assess the development of the Care Inspectorate's governance arrangement.

The fieldwork for this was undertaken in the form of a short, focused review of the governance arrangements that were in place at the Care Inspectorate in November 2011.

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1.1.2 Findings of the Audit and Good Practice

The audit findings acknowledged that the Care Inspectorate had introduced robust governance arrangements in its first nine months of operation, which were continuing to be developed and embedded. The audit visit memo also identified any weaknesses or opportunities for improvement.

1.2 Findings of Full Audit Report: B6 Governance

The internal auditors carried out a full audit review of the governance arrangements in place at the Care Inspectorate in January 2013. This report was submitted to the Audit Committee on 19 March 2013.

One of the recommendations contained in the management action plan was under the key control objective that:

- The Board undertook a formal and rigorous annual evaluation of its own performance and that of its Committees.

The findings did acknowledge that an evaluation process was underway and that each Committee of the Board had evaluated its own performance which would accumulate with a full meeting of the Board to consider the outcomes of each of its Committees and review its overall performance and effectiveness.

2.0 HOW GOOD IS OUR GOVERNANCE?

The Board held a Development Event on 31 August 2012 which considered the following sessions:

- The Organisation's Purpose, Values, Corporate Goals and Outcomes
- Functioning Effectively as a Board
- Performing Effectively and Making Accountability Real
- Developing the Capacity and Capability of the Board and Board Members
- Identifying and Prioritising Areas for Improvement

The output from this session is attached as Appendix 1.

3.0 COMMITTEE EFFECTIVENESS

During the period October – December 2012 the three standing Committees and one Sub Committee of the Board held their sessions on Committee effectiveness. The Chair developed a set of criteria which was used as a framework to ensure consistency of approach in the reviews (Appendix 2). The output from these sessions is attached as Appendix 3.

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4.0 GOVERNANCE REVIEW AND BOARD EFFECTIVENESS

The Board held a Development Event on 13 March 2013 which considered the output from the Board Development on 31 August 2012 and discussed each of the Committee's effectiveness reviews.

The Board took assurance that its governance standards were satisfactory and compared positively with other public sector organisations, especially in light of both the external and internal audit's reports, noting that there was always scope for improvement.

The Board considered and commented on the Committees' outputs from each of their sessions, highlighting any points to be considered and taken forward by each Committee and the Chair led full discussion and reflection of its effectiveness, focussing particularly on strategic position and leadership.

The Board agreed that for all Committees and the Board that all key areas were effective; however there was continuing development and work to take place, which was what was expected of an organisation with robust and healthy governance.

The output from this event is attached as Appendix 4.

5.0 RECOMMENDATIONS

Following on from the process undertaken in 2012/13, it is recommended that:

- Committee Effectiveness and Governance Review and Board Effectiveness sessions continue on a yearly basis and are built into the Board and Committee schedules.
- The Chair and Committee Conveners consider how to ensure effectiveness is reviewed at interim meetings.

6.0 RESOURCE IMPLICATIONS

There are no resource implications arising from this report.

7.0 BENEFITS FOR PEOPLE WHO USE SERVICES AND THEIR CARERS

By putting these robust annual evaluations of the Board and its Committees will ensure that there is clarity about the Care Inspectorate's purpose and intended outcomes for people who use services and their carers and ensure that a high quality of service and value for money is provided.

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8.0 CONCLUSION

The attached appendices show the importance and necessity to continue with these sessions and that the Care Inspectorate and its Board is committed to all the principles of good governance.

LIST OF APPENDICES

- Appendix 1 -** How Good is Our Governance?
- Appendix 2 -** Review of Committee Effectiveness - Criteria
- Appendix 3 -** Review of Committee Effectiveness - Outputs
- Appendix 4 -** Governance Review and Board Effectiveness - Output